Surface Examination Report

Orderville, Muddy Creek, Gemstone Leases April 20, 1995

5/025/006 + 5/025/010 See file 5/025/006 For Complete report W/ photos + maps.

Date of Inspection: April 16, 1995

Persons Present: William M. Stokes, SITLA, Minerals

Conditions: Cold with Rain and Snow

Lands: T. 40 S., R. 7 W., SLM, Section 30 & T. 40 S., R. 8 W., SLM, Section 36.

On April 16, 1995, a cursory inspection was done on various Gemstone leased lands within the above referenced Sections to determine the location and reclamation responsibilities of various Lessees who hold Gemstone leases on those lands. This examination is pertinent to the School and Institutional Trust Lands Administration and the Division of Oil Gas and Mining for identifying Lessees who have disturbed over 5 acres of land. Mine disturbances over 5 acres disqualifies the Lessee as a small mine operator. The surface examination also identifies which State lands are in production. Because of the numerous individual Gemstone leases on the subject lands it is difficult for the casual observer to determine which mine areas are associated with which individual Lessees. Even though the examination was not completed, due to inclement weather, there were sufficient observations made to determine which Lessees were creating the largest mine related disturbances.

Access to the subject lands is via a dirt road which leaves State highway 89 just south of the town of Mount Carmel and follows the course of the Muddy river in a northwest direction from highway 89. The dirt road passes over a cattle guard which is situated between a yellow farm house, on the south end of the town of Mount Carmel, and a small barn, on which a sign has been placed that reads "Septerian Nodule Information". Traveling three (3) miles from highway 89, along the Muddy Creek dirt road will bring one to a fence and gate which marks the southern boundary of Section 36. See attached maps.

To identify individual State land, Federal land and Fee land boundaries it was imperative that a base line be established that would conform the established surveys and section line. This was done by flagging, with orange surveyors tape, the section line between Section 36 of T. 40 S., R. 8 W., and Section 31 of T. 40 S., R. 7 W. The south common corner for Sections 31 and 36 was found in the field and using a Brunton Compass the common section line between these two sections was traced and flagged along the southern 1/3 of the common section line. This flagged line terminates at a topographic high point which can be seen from almost any location within the N½ of Section 31 or the NW¼ of Section 36. Using a Brunton Compass the remain northern 2/3rds of the common section line between Sections 31 and 36 was projected to where the northeast section corner of Section 36 should be placed. This northeast section corner monument was not found in the field and it is doubtful that it was ever surveyed in and placed in position. From the projected position of the northeast section corner of Section 36, by sighting south to the flagged southern portion of the common section line, the entire trace of this common section line could be projected in the field. From this established common section line identifiable topographic features could be observed in the field as they relate to the boundary lines of different lease lands or different land ownership boundary lines as shown on the attached

ownership map.

The largest surface disturbance is one that covers well over 5 acres an is located on Utah State Gemstone lease ML-41355. See accompanying map of surface disturbances. Gemstone lease ML-41355 covers the western half of section 31 and is leased to Ogla Berry who has subleased the land to Mark Johnson. See the accompanying State lease ownership map. A portion of the over burden pile associated with mining on ML-41355 lies on Utah State Gemstone lease ML-26996 which is leased to Mike Caruso.

The second largest disturbance observed in Section 31 and 36 is also well over 5 acres and falls partly on State land in the E½NW¼ of Section 36 and partly BLM land in the E½SW¼ of Section 25. The State land in the E½NW¼ of Section 36 is also leased to Ogla Berry and subleased to Mark Johnson. An examination of the BLM mining claim records showed that there are two valid unpatented lode mining claims located on the E½SW¼ of Section 25. These two claims are named the End of Trail # 2 and 3 and are currently held as valid claims by Rex T. Haris and Loy Crapo.

Another large disturbance of unknown extent falls partly on the E½NW¼NW¼ of Section 36 and partly on the valid Trail # 1 unpatented lode mining claim located over the E½NE¼NE¼ of Section 35. The Trail # 1 and 2 unpatented lode mining claims were located by Marie Caruso and are valid through the 1995 assessment year, ending September 1, 1995, at noon. The Trail # 1 and 2 are exempt from the \$ 100 per claim assessment fee under the Small Miners Exemption. The NE¼NE¼ of Section 36 is leased to Mike Caruso under Utah State Gemstone lease ML-41354.

There are numerous other surface disturbances observed in the field that are depicted on the accompanying map of surface disturbances. These other disturbances were not thoroughly investigated as precipitation from a winter storm made travel within the subject area hazardous. There are numerous roads which are not depicted on the topographic maps covering this area that may be a result of mining claimant and gemstone Lessees efforts to gain access to new areas. At the time of this surface examination many of these roads were deeply rutted from use during wet weather.

As mentioned at the beginning of this report only the largest of surface disturbances in Sections 31 and 36 were examined. It is recommended that additional field work be done to identify all surface disturbances on Utah State leased lands.

William M. Stokes

Mineral Resource Specialist